United States Senate

WASHINGTON, DC 20510

May 13, 2004

The Honorable Donald Evans Secretary Department of Commerce 1401 Constitution Avenue NW Washington, DC 20230

Dear Secretary Evans:

We are writing to request that you transfer and reprogram funds within the Department of Commerce to restore funding for the Manufacturing Extension Partnership (MEP) in fiscal year 2004. The MEP is a cost-effective, strong public-private partnership that helps small and mid-sized American manufacturers modernize to compete in the demanding global marketplace. Firms assisted by locally managed MEP centers produce high wage jobs and generate revenues that continue to power our rising standard of living.

The Federal government's modest investment of \$106.6 million in fiscal year 2003 generated billions of dollars in increased sales and investment and jobs created and retained. The MEP helps small manufacturers remain competitive in the global marketplace. We hope that you will work with us to support the competitiveness of our domestic small manufacturing industry and preserve its high-paying jobs.

The fiscal year 2004 appropriated level of \$39.6 million for the MEP is insufficient to maintain the existing network of MEP Centers. According to a recent survey by the Modernization Forum, every MEP Center in the country is downsizing. MEP Centers have closed 58 regional offices and reduced staffing by 15 percent, which will leave small manufacturers across the country without invaluable technical and business assistance that helps them remain competitive in the global marketplace. On July 1, 2004 two-thirds of MEP centers come due for renewal requiring fiscal 2004 dollars. Unless action is taken before that date, the MEP centers will struggle to meet the many needs of our small manufacturers.

We would like to work with you to transfer and reprogram funding in order to maintain the existing MEP network. Following are some accounts within the Department of Commerce that we would suggest could be used to support this effort.

- \$5 million in unobligated funds from the Economic Development Administration;
- Funds received by the EDA Administrator from revolving fund loan programs and liquidation; and,
- Deobligations from the Advance Technology Program.

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We look forward to working with you on this urgent matter.

Sincerely,

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Barbara A. Mikulski

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Russell D. Feingold Mark Dayton Edward M. Kennedy Maria Cantwell Thomas R. Carper Richard C. Shelby Page Four Letter to Secretary Evans FY2004 MEP Reprogramming Request

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Pat Roberts Charles E. Grassley

